

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
ENTERED

MAY 09 2001

Michael N. Milby, Clerk of Court

IN RE:

TRI-UNION DEVELOPMENT
CORPORATION,

DEBTOR

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CASE NO. 00-32498-H4-11
(CHAPTER 11)

ORDER

The Court has considered the Debtor's Motion Pursuant to Federal Rule of Bankruptcy Procedure 9019 to Approve Compromise of Controversy Regarding the West Hastings Field (the "Motion") and the Court has concluded that the Motion satisfies the requirements of *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414 (1968) and should, therefore, be granted. It is therefore

ORDERED that pursuant to Federal Rule of Bankruptcy Procedure 9019, the Motion is GRANTED. It is further

ORDERED that with regards to the settlement agreement reached between Exxon, Apache, the royalty owner intervenors and Tri-Union, the Court approves the settlement on the following terms:

- (a) All parties agree that they will not seek termination of the West Hastings Unit.
- (b) Tri-Union assigns to Exxon its right to vote in favor of termination of the West Hastings Unit.
- (c) Exxon will cause to be assigned to Tri-Union an undivided 7.5% of 8/8ths leasehold working interest in the West Hastings Unit, effective February 1, 2001, out of the

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working interest owned by Exxon and other working interest owners aligned with Exxon in the litigation.

- (d) Tri-Union pays to the royalty owner intervenors the sum of \$100,000 out of production from the 7.5% interest to be obtained from Exxon.
- (e) *Omer Lee Surface, et al. vs. Exxon Corporation, et al.*; No. 96-H-2047 in the 23rd Judicial District Court of Brazoria County, Texas (the "Brazoria Lawsuit") and *Exxon Corporation, et al. v. MW Petroleum Corporation, et al.*; No. 1995-50049 in the 165th Judicial District Court of Harris County, Texas (the "Harris Lawsuit") are dismissed with prejudice with all parties mutually releasing each other, other than contribution claims with respect to causes of action, if any, asserted by royalty owners who are not parties to the lawsuits.

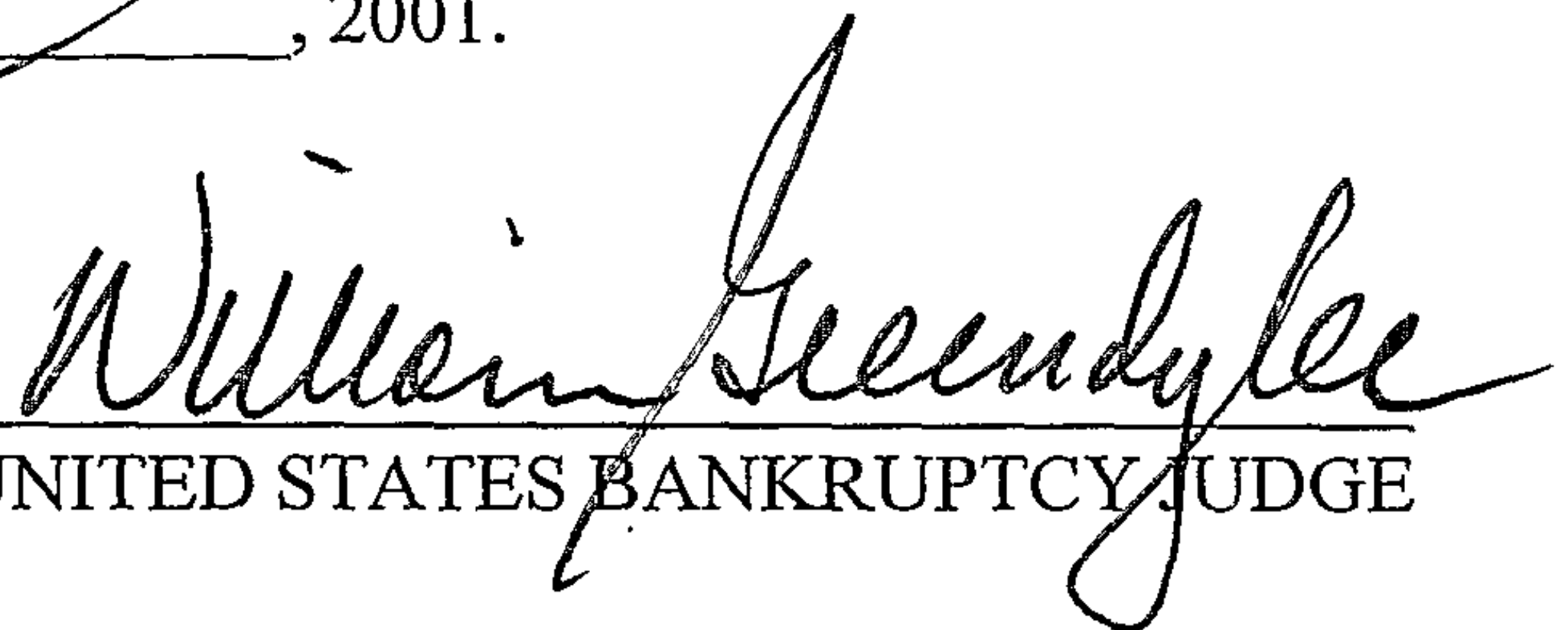
It is further

ORDERED that with regard to the settlement agreement between Tri-Union, Apache and Exxon, and the other working interest owners, the Court approves settlement on the following terms:

- (a) Betty Showers Brown, Ann S. Butler, Nancy S. Slaughter, Scherck Descendants' Trust and Scherck Children's Trust will convey an aggregate 0.126175% of 8/8ths working interest to Tri-Union (which constitutes all of their remaining interest), and Tri-Union will convey Apache a \$12,000 production payment on such conveyed interest.

- (b) Hastings Oil Company will convey a 0.12792% of 8/8ths working interest to Tri-Union (which constitutes all of its remaining interest), and Tri-Union will convey Apache a \$12,000 production payment on such conveyed interest.
- (c) Mary Jane Sponsel, Mary Jeanette Sponsel, Thane T. Sponsel, Jr., Sally Price Sponsel Kerr and the Betty Price Trust will convey an aggregate 0.01760% of 8/8ths working interest to Tri-Union (which constitutes all of their remaining interest), and Tri-Union will convey Apache a \$2,000 production payment on such conveyed interest.

SIGNED this 9th day of May, 2001.


UNITED STATES BANKRUPTCY JUDGE

PLEASE RETURN A SIGNED COPY
OF THIS ORDER TO:

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